

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:

OEP/DG2E/Gas Branch 2
Maritimes & Northeast Pipeline, L.L.C.
Docket No. PF05-17-000

October 14, 2005
Steven E. Tillman
Maritimes & Northeast Pipeline L.L.C.
890 Winter Street, Suite 300
Waltham, MA 02451

Re: Approval of Pre-Filing Request

Dear Mr. Tillman:

Thank you for your letter dated September 15, 2005, requesting use of our pre-filing process for the proposed Maritimes & Northeast Pipeline, L.L.C. (Maritimes) Maritimes Phase IV Project in Maine and Massachusetts. We believe that beginning the Commission's review of this proposal in order to comply with the National Environmental Policy Act prior to the receipt of your application will greatly improve our ability to identify issues early and address them in our environmental document. Therefore, I am granting your request and instructing staff to begin familiarizing themselves with your project.

In your letter you requested Commission approval of the Maritimes Phase IV Project by February 2007. We believe that it will be possible to coordinate with the other agencies, complete the process of producing an environmental impact statement (EIS), and present our recommendations to the Commission in that timeframe. Please be aware that our ability to meet this schedule is dependent on your commitment to resolve issues that are identified during the pre-filing process. When Maritimes files its application with the Commission, we will determine the completeness of that application relative to the issues raised and will advise you of our projected dates for the issuance of the draft and final EISs.

Maritimes provided staff with copies of proposals from two firms bidding to be the third-party contractor for preparation of the EIS. We have evaluated the proposals, and select Environmental Resources Management (ERM) as the third-party contractor for the Maritimes Phase IV Project. Please advise me when the contractual arrangements between your company and ERM have been completed, and when ERM will be available to begin work on this project.

Your project has been assigned Docket Number PF05-17-000. All future “pre-filing” correspondence and submissions by Maritimes for this project should reference this docket number. If you have any questions, please contact Laura Turner, environmental Project Manager, at (202) 502-8916.

Sincerely,

J. Mark Robinson
Director
Office of Energy Projects

cc: Public Files, Docket No. PF05-17-000

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890 Winter Street, Suite 300
Waltham, MA 02451
(617) 254-4050
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RECEIPT COPY

September 15, 2005

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SECRETARY
2005 SEP 15 P 3:51
FEDERAL ENERGY
REGULATORY COMMISSION

J. Mark Robinson, Director Office of Energy Projects
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

PF05-17

**Re: Request for Authority to Use Commission's Pre-Filing Process,
Maritimes & Northeast Pipeline, L.L.C., Phase IV Project**

Dear Mr. Robinson:

Maritimes & Northeast Pipeline, L.L.C. ("Maritimes") requests the Federal Energy Regulatory Commission ("FERC" or "Commission") Staff to initiate a National Environmental Policy Act ("NEPA") pre-filing review (the "Commission's Pre-Filing Process") of the proposed Maritimes Phase IV Project (the "Project"). Maritimes plans to file an application with the FERC for authorization for this expansion project under Section 7(c) of the Natural Gas Act ("NGA"), 15 U.S.C. § 717f(c) (2000), following the Commission's Pre-Filing Process.

Project Overview

Maritimes proposes to expand its existing mainline system in order to transport natural gas for Anadarko LNG Marketing LLC ("Anadarko") and Repsol Energy North America Corporation ("Repsol"), both of whom have executed precedent agreements with Maritimes for long-term firm transportation service on Maritimes' pipeline system. To meet these transportation commitments, Maritimes proposes to construct and operate various lengths of pipeline loop totaling approximately 131.1 miles, generally located adjacent to its existing 24-inch diameter pipeline in Maine. In addition to the pipeline looping, Maritimes is planning to construct and operate five new compressor stations in the State of Maine and one new compressor station in the Commonwealth of Massachusetts, along with installing additional compressor capacity at its existing Baileyville and Richmond compressor stations in Maine. Modifications will also be required at existing meter stations owned by Maritimes in Maine and Massachusetts. The facilities necessary for the proposed Maritimes Phase IV Project are described in more detail in Attachment "A" enclosed with this letter.

Maritimes is also engaged in discussions with a third party concerning the addition of another 150,000 Dth/d of expansion capacity on the Joint Facilities mainline¹. Since this additional capacity represents a relatively small percentage of the overall capacity that Maritimes

¹ The Joint Facilities mainline consists of approximately 101 miles of 30-inch pipeline that extends from Westbrook, Maine to Dracut, Massachusetts. The Joint Facilities are owned in undivided interests by Maritimes and Portland Natural Gas Transmission System.

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proposes to build as part of the Project, this additional capacity will require only approximately 14 miles of additional pipeline loop and a single compressor unit change at one of the proposed compressor stations.² Accordingly, Maritimes will supplement the information on file as part of the Commission's Pre-Filing Process, as well as, the Third Party Contractor Request for Proposals ("RFP"), to accommodate these additional facilities, depending upon the outcome of the discussions with this third party and the timing of the project to provide service for this additional 150,000 Dth/d market.

Maritimes submits the following in compliance with the FERC's collaborative procedures in 18 C.F.R. 157.22 and guidance from FERC Staff for initiating a NEPA pre-filing review of natural gas projects:

1. Explain why the project sponsor needs/wants to use the Commission's Pre-Filing Process, including timing considerations.

Maritimes held an open season earlier this year, which resulted in precedent agreements for a total quantity of approximately 1.5 Bcf/d of long-term firm transportation service with Anadarko and Repsol. In addition, Maritimes has conducted a reverse open season to ensure that the scope of the Project facilities is appropriate. The facilities described in Attachment A reflect the results of the reverse open season. The respective affiliates of both Anadarko and Repsol have indicated that preliminary construction activities for their respective LNG terminals are underway, with initial startup of the terminals projected in 2008.

In order to meet the full impact review requirements of NEPA, Maritimes recognizes the need for close coordination between the applicant and all interested agencies and other stakeholders. These efforts need to be balanced with the timely review and approval of natural gas transmission infrastructure, which is critical to meeting the energy needs of consumers, stabilizing natural gas prices, and providing the environmental benefits associated with clean-burning natural gas.

Early review of the environmental documentation required to comply with NEPA and the implementation of the "stakeholder outreach program" by Maritimes and the Commission Staff will facilitate the development of a complete record, serve to support the conclusion that the Project is in the public interest, and allow the Project to receive timely approval. Maritimes anticipates filing its Section 7(c) application for the Project with the FERC by March 2006, and requesting final FERC approval by February, 2007. This timing will allow field development of the NEPA record and is consistent with the timing requested by Anadarko and Repsol for commencement of service under their respective service agreements.

In short, Maritimes believes the Commission's Pre-Filing Process will benefit the applicant, interested agencies and other stakeholders by:

- assisting in developing initial information about the Project and identifying affected parties;
- facilitating issue identification and resolution;

² To provide a consistent opportunity for involvement, landowners that may be affected by the additional looping will be included in Maritimes' outreach efforts described below in Section 4.

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- providing a process that accommodates site visits, meetings with agencies and stakeholders, participation in public information meetings (open houses), and examination of reasonable alternatives;
- providing all interested agencies and stakeholders with ample opportunity to access and review draft Resource Reports and other information related to the Project;
- eliminating or reducing the need for environmental data request filings; and
- facilitating preparation of a high-quality preliminary draft Environmental Impact statement ("EIS") by the Third-Party Contractor.

2. Identify other federal and state agencies in the project area with relevant permitting requirements, and verify that they are aware of and agree to participate in the pre-filing process.

Agencies or other organizations anticipated to be involved in permitting the Project and that will be key participants in the Commission's Pre-Filing Process are: the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, the U.S. Environmental Protection Agency, the Maine Department of Environmental Protection, the Maine Department of Inland Fisheries and Wildlife, the Maine Department of Conservation Natural Areas Program and Land Use Regulation Commission, the Atlantic Salmon Commission, the Maine Historic Preservation Office, the Penobscot Indian Nation and Passamaquoddy Tribe of Indians. Maritimes has conducted meetings with these agencies/organizations to explain the Commission's Pre-Filing Process and the anticipated schedule for the Project. Each agency or organization has expressed its willingness to participate in the Commission's Pre-Filing Process and has identified its contact person for the Project review. See Attachment "B" for a listing of agency/organization contacts with whom Maritimes has verified the agency's/organization's willingness to participate in the Commission's Pre-Filing Process.

Maritimes will continue its ongoing efforts in identifying and contacting agency representatives and other interested environmental groups, and when, appropriate, will submit to the FERC an updated Attachment "B".

3. Identify other interested persons and organizations that have been contacted about the project.

Early in the development stages of the Project, Maritimes contacted various stakeholders and interested parties to discuss the Project. During this process, various aspects of the Project have been discussed, including safety, risk management and environmental mitigation issues. Communications have also taken place with various federal, state and local officials. Examples of these public and government relations stakeholders and interested parties are shown on Attachment "C".

Representatives of Maritimes will continue to meet with various groups and individuals regarding the Project. In addition, the Commission's Pre-Filing Process will facilitate the use of state and local sources to try to identify other potentially interested persons and organizations to ensure they are included in planned open houses and other public outreach efforts. An

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initial listing of environmental agencies, groups and individuals that Maritimes has contacted, or that it may contact in the near future, is presented in Attachment "D".

4. Detail what work has been done already, i.e. landowner contacts, agency consultations, engineering and route planning.

Landowner contacts: On April 18, 2005, Maritimes sent letters of introduction to landowners and other stakeholders along the proposed study corridor and all the compressor station sites describing the proposed expansion facilities for the Project. The letters were followed by written requests for survey permission to the same landowners. Sample copies of these landowner letters are included as Attachment "E". These initial contacts have been followed up with additional and continuing contacts to support the collection and evaluation of field and early landowner concerns.

Agency consultations: As required by the NEPA process, Maritimes has initiated the consultation process under the U.S. Endangered Species Act ("ESA") and National Historic Preservation Act ("NHPA"). Relevant federal and state agencies in Maine have been contacted and have received notice in the form of an initial project description and maps showing the proposed facilities (8 1/2 x 11-inch excerpts from USGS quadrangle maps) and are thus aware of the Project. An initial interagency meeting was conducted on September 2, 2005. These consultations will be ongoing and updated information will be provided to the agencies, including the appropriate Massachusetts agencies, as Project facilities are further refined. Agencies involved in the ESA and NHPA consultations are included on Attachments "B" and "D".

Engineering/Site Planning: Representatives for Maritimes have been working with the following contractors to perform various engineering and project studies, as follows:

- In-house engineering - Maritimes and Duke Energy Gas Transmission Technical Services.
- TRC Environmental Corporation – Initiate consultations, perform field studies and begin preparation of Project Environmental Reports.
- Public Archaeology Lab – Cultural Resources - Initiate consultations, perform field studies and begin preparation of Resource Report 4.
- AK Environmental, LLC – Initial horizontal directional drill analysis and project engineering requirements.
- GE Power Systems, d/b/a M. J. Harden Associates – Aerial Photography and Mapping.
- SCG Engineering, LLC – Surveying and Survey Data Processing
- Universal Ensco – Surveying
- Basic Systems – Compressor Station Flow Diagrams

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Studies are currently underway in each of these areas, as well as other critical aspects of the Project.

5. State that the project sponsor will provide third party contractor options for Commission Staff selection.

Maritimes will coordinate third party contractor options for Commission Staff selection. These services are being requested under an RFP which was issued on September 7, 2005 for the Project. Maritimes will select, in its view, the best available bids and will submit such bids to Commission Staff later this month for selection of the preferred contractor.

6. Acknowledge that a complete Environmental Report and complete application are still required at the time of filing.

Maritimes acknowledges that a complete Environmental Report and a complete application under Section 7(c) of the NGA are still required for the Project and will be submitted to the FERC at the time of filing.

7. Detail a plan, which identifies specific tools and actions to facilitate stakeholder communications and public information, including establishing a single point of contact.

Public Participation Plan. Maritimes is committed to stakeholder communications and effective public outreach for the Project and will follow a public outreach plan that includes the following actions:

- Continued identification of, and meetings with, local associations, neighborhood groups and other non-governmental organizations to inform them about the Project and address any issues that may be raised.
- Maritimes will continue to meet with all key Federal and State agencies to identify other stakeholders and to coordinate the Commission's Pre-Filing Process activities, such as identifying concerns, scoping studies, reviewing draft resource reports, and resolving issues.
- Commencing in the Fall of 2005, Maritimes is planning to initiate community meetings in order to provide additional information about the Project in general to all of the interested elected officials, State and Federal agencies, and adjacent industries and residents.
- During October 2005, Maritimes will provide all required information and support needed for the FERC to conduct public scoping meetings.
- Maritimes will establish a publicly available website for its proposed expansion, with pertinent information on the status of the Project. This website will be available upon the Commission granting Maritimes' request to begin the Commission's Pre-Filing Process. Information anticipated to be available on the website may include:

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1. Public repositories where appropriate Project-related information (excluding confidential information and CEII) will be available for inspection;
2. Frequently asked questions regarding pipeline construction projects and answers;
3. Point of contact(s) for the Project and toll free numbers;
4. Links to the FERC website and eLibrary for access to filed information; and
5. Other appropriate Project-related information.


In conclusion, Maritimes is committed to:

- a) Identifying all stakeholder issues or concerns regarding the proposed Project;
- b) Addressing such issues before filing its application for the Project; and
- c) Providing the FERC with a complete application.

Maritimes appreciates the assistance of the FERC Staff in implementing a pre-filing process designed to ensure a thorough and timely NEPA analysis for the Project, while helping to meet the service needs and timing requirements of the Phase IV shippers, and ultimately, the consumers of natural gas who rely on Maritimes.

Should you have any questions concerning this request, please contact me at (713) 627-5113.

Sincerely,

A handwritten signature in cursive script that reads "Steven E. Tillman" followed by a forward slash and the initials "SET".

Steven E. Tillman, General Manager
Regulatory Affairs

SET:al
Attachments

cc: Robert Cupina
Richard Hoffmann
Bernie Mosley
John Leiss
Laura Turner

LD9708d

ATTACHMENT "A"

PROPOSED FACILITIES

New Compressor Stations

- Woodchopping Ridge Compressor Station, Township T35 MD, Maine
- Brewer Compressor Station, Maine
- Searsmont Compressor Station, Maine
- Westbrook Compressor Station, Maine
- Eliot Compressor Station, Maine
- Methuen Compressor Station, Massachusetts

Existing Facility Modifications

- Baileyville Compressor/Meter Stations, Maine
- Richmond Compressor Station, Maine
- Westbrook Meter Station, Maine
- Dracut Meter Station, Massachusetts
- Methuen Meter Station, Massachusetts
- Salem Meter Station, Massachusetts

New Maritimes Pipeline Looping (all in Maine)

- Baileyville Loop - approximately 1.5 miles of 30-inch diameter pipe adjacent to the existing 30-inch diameter Mainline in Baileyville, north of the Baileyville Compressor Station; and approximately 25.5 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter Mainline south from the Baileyville Compressor Station to township T37 MD BPP.
- Woodchopping Ridge Loop - approximately – 27.0 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter Mainline from township T35 MD to Milford.
- Brewer Loop - approximately 23.6 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter Mainline from Brewer to Monroe.
- Searsmont Loop - approximately 21.7 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter Mainline from Searsmont to Windsor.
- Richmond Loop - approximately 28.6 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter Mainline from Richmond to Pownal.
- Westbrook Loop upstream of Westbrook Inlet Station – approximately 3.3 miles of 36-inch diameter loop line adjacent to the existing 24-inch diameter mainline from Falmouth to Westbrook.

ATTACHMENT "B"**AGENCIES PARTICIPATING IN THE COMMISSION'S PRE-FILING PROCESS**

Agency	Contact Person	Contact Information
U.S. Army Corps of Engineers Maine Project Office	Jay Clement, Senior Project Manager	675 Western Avenue, #3 Manchester, ME 04351 207-623-8387 (voice) 207-623-8206 (fax) Jay.L.Clement@usace.army.mil
U.S. Fish and Wildlife Service Maine Ecological Services Office	Wende Mahaney, Fish & Wildlife Biologist	1168 Main Street Old Town, ME 04468 207-827-5938 (voice) 207-827-6099 (fax) wende_mahaney@fws.gov
National Marine Fisheries Service (NOAA Fisheries)	Sean McDermott, Fisheries Biologist	One Blackburn Drive Gloucester, MA 01930 978-281-9113 (voice) 978-281-9301 (fax) Sean.McDermott@noaa.gov
U.S. Environmental Protection Agency Region 1	Matt Schweisberg	1 Congress Street, Suite 1100 Boston, MA 02114 617-918-1628 (voice) 617-565-3660 (fax) schweisberg.matt@epa.gov
Maine Department of Environmental Protection Bureau of Land and Water Quality	Linda Kokemuller	312 Canco Road Portland, ME 04103 207-882-6329 (voice) 207-882-6303 (fax) linda.k.kokemuller@maine.gov
Maine Department of Inland Fisheries and Wildlife	Steve Timpano, Environmental Coordinator	284 State Street 41 State House Station Augusta, ME 04333 207-287-3266 (voice) 207-287-6395 (fax) steve.timpano@maine.gov
Maine Department of Conservation Natural Areas Program	Toni Bingel-Pied, Assistant Ecologist	93 State House Station Augusta, ME 04333 207-287-8044 (voice) 207-287-8040 (fax) toni.pied@maine.gov